



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
LOT331

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF
CHUCK BOWMAN 304-558-2157

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

LOTTERY COMMISSION

 312 MACCORKLE AVENUE, SE
 CHARLESTON, WV
 25314-1143 558-0500

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
05/26/2006				

BID OPENING DATE: 06/13/2006 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	HR		946-20		
<p>***** ADDENDUM NO. 1 *****</p> <p>ADDENDUM IS ISSUED TO DISTRIBUTE THE VENDOR QUESTIONS AND THE AGENCY ANSWERS FOR THE ADVERTISED ANNUAL AUDIT CONTRACT RFQ.</p> <p>PLEASE SEE THE ATTACHED TWO (2) PAGES.</p> <p>BID DATE AND TIME HAVE BEEN EXTENDED FROM 06/06/06 TO 06/13/06 AT 1:30.</p> <p>***** NO OTHER CHANGES *****</p>						
AUDITING SERVICES						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
 2. The State may accept or reject in part, or in whole, any bid.
 3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
 4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required registration fee. (Effective June 8, 2006, the fee will change from \$45.00 to \$125.00 pursuant to House Bill 4031.)
 5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
 6. Payment may only be made after the delivery and acceptance of goods or services.
 7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
 8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
 9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
 10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
 11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
 12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
 13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this contract is automatically null and void, and is terminated without further order.
 14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
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INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **DUPLICATE BIDS:** All quotations must be delivered by the bidder to the respective offices listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications.

ORIGINAL SIGNED BID TO:

Department of Administration
Purchasing Division
2019 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

DUPLICATE BID TO:

State Auditor's Office
Bid Observer
Building 1 Room W114
1900 Kanawha Boulevard, East
Charleston, WV 25305-0230

NOTICE: Beginning June 8, 2006, there is no need to submit a duplicate bid to the State Auditor's Office pursuant to House Bill 4031.

West Virginia Lottery
LOT 331 – Addendum 1
May 25, 2006

1. Are any areas of computer operations subject to a SAS 70 report? If yes, what areas and what type of SAS 70 report (Type I or II). Please specifically identify any of the four areas of computer operations referenced in Section 3.2.8 of the RFP that are not subject to a SAS 70 report.
 - The area of computer operations subject to a SAS 70 report is the On-line/Instant system. A Type II SAS 70 is done on this system. The areas of computer operations that are not subject to SAS 70 reports are: Video, Lottery ICS and Lottery/Accounting.
2. Does the Lottery expect to be using any new computer software or computer systems in the next three years in any of the four areas of operations identified in Section 3.2.8 of the RFP, particularly with regard to the video lottery operations?
 - The Video system will be undergoing a conversion to a new system, with an anticipated start up date of October 2006 and will continue through February 2007. The Lottery/Accounting system is expected to have updates made to its software in August 2006. There is a possibility of a change being made to the On-line/Instant system within the next three years.
3. If yes, will the software/system be subject to a SAS 70 report? If yes, what type of SAS 70 report?
 - The software/system upgrades on the Video and Lottery/Accounting systems will not be subject to a SAS 70 report. The On-line/Instant system, shall there be a change, will be subject to a Type II SAS 70 report.
4. Will the internal auditor's workpapers be available for our review?
 - Yes.
5. If the answer to the above question is yes, then can we obtain an understanding of the scope of the internal auditor's activities during the past year?
 - The scope of the internal auditors' activities during the past year has focused on risk assessments and quality improvement. Internal audits have been done based upon the departments approved goals and findings from the risk assessments.

6. When were the prior auditors on site to perform the audit and how many people did they assign to the job and how long were they there?
 - The prior auditors were on site during June and July 2005. There were approximately six (6) people assigned to the agency and they were on site approximately 2-3 weeks.
7. Will it be possible to do preliminary work before the final field work dates to help with meeting the August 31 draft timeline?
 - Yes.
8. Will we be able to get an electronic copy of the prior years CAFR to use as a basis for preparing the 2006 CAFR?
 - Yes.
9. Is the inventory located in one location or multiple locations?
 - Currently, inventory is located in multiple locations.
10. Approximately how many customers make up the Accounts Receivable balance and are there any large single customer balances or is it mostly made up of numerous small balances?
 - Accounts Receivable is comprised of three (3) revenue sources. Traditional lottery is made up of numerous small balances. Limited video lottery is comprised of numerous small to medium size balances. Racetrack lottery is comprised of four (4) large balances.